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COUNTRY	China
SUBJECT	Economic - Industry, commerce
HOW PUBLISHED	Daily newspapers
WHERE PUBLISHED	Shanghai; Hangchow; Hong Kong
DATE PUBLISHED	3 May - 11 Jun 1950
LANGUAGE	Chinese

DATE OF INFORMATION 1950

DATE DIST. **11** Jul. 1950

NO. OF PAGES 3

SUPPLEMENT TO
REPORT NO.

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REPORTS INDUSTRIAL, COMMERCIAL IMPROVEMENTS
IN WUHAN, HANGCHOW, SHANGHAI

WUHAN INDUSTRY ADVANCES -- Hong Kong Wen-hui-pao, 11 Jun '50

Hankow, 10 June (Hsin-hua) -- Since commodity prices grew stable following the drop during mid-April 1950, Wuhan market conditions have begun to return to normal, and the flow of goods between rural and urban areas has gradually increased.

Wuhan commodity prices began to fall in mid-March 1950. By the beginning of April, the prices of manufactured goods generally had fallen 25 to 30 percent. Market prices fell to far below the National Trade Corporation quotations, while a number of commodities held at almost the same price level as in their respective production areas. After mid-April, the Central and South China Military and Political Council, along with numerous sections of the Wuhan Municipal People's government, rendered assistance and made a series of adjustments, while the national trade agencies placed great emphasis on the purchase of industrial and agricultural products, bringing the ratio of commodity exchange prices into satisfactory adjustment, so that commodity prices could gradually return to a normal state of stabilization.

Since April, the market has continued to stabilize. Average commodity prices in the beginning of May were 3.59 percent below those of late April; mid-May prices were 1.8 percent above early May; prices at the end of May were 5.9 percent above the mid-May level; in all, the area of fluctuation has been quite small. The market price already approximates the posted price more closely. The disparity between the price of cotton and sundries, etc., in their respective production zones, and the price of the same articles in their marketing zones are gradually reaching proper and reasonable proportions.

As a result of the speedy return to normal in the commodity market, the flow of industrial and agricultural products between city and country has shown daily increased activity. Between the last 10 days of April and the first 10 days of May, market transactions increased 52 percent in polished rice, 50 percent in unhulled rice, 39 percent in wheat, and 15 percent in cotton cloth. Excepting grains and cotton cloth, which were generally exchanged

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in smaller quantities, various native products such as salt and oil showed a relative increase in quantity in mid-May, as against the beginning of the month: hemp oil rose 48.27 percent, table salt 40.6, raw silk 100, tobacco leaf 12, sheepskin 35, cowhide 49, hog bristles 70, tung oil, 48.92 percent. In the end of May, the amount of unhulled rice, hulled rice, and miscellaneous grains rose above the mid-May level by 11.1 percent; cotton cloth rose 72 percent; cotton yarn and native products also saw an increase.

The commodity markets have gradually been opened and the situation has been greatly relieved through administration by legitimate industrialists and merchants. In April, industrialists and merchants throughout the city were applying to close their businesses; requests for closure or temporary suspension outnumbered applications to open business by a seven to one ratio. By May, the situation had improved considerably: closures and suspensions diminished sharply, to the point where there were six openings for each seven closures or suspensions. More than half of the newly opened firms are industrial and the greater part of them deal in hardware, textiles, and similar products of a beneficial nature to the nation and the people. Also, many plants and stores which had planned to close have decided to continue operations. Some ten department stores, already closed, are getting ready to reopen.

HANGCHOW MARKET ACTIVITY INCREASES -- Hong Kong Wen-hui-pao, 11 Jun 50

Shanghai, 10 June (Hsin-hua) -- Following the nation-wide stabilization of commodity prices, the liberation of the Chou-shan Archipelago, and the marketing of spring tea and cocoons, the Hangchow market has now become very active and the flow of commodities between city and country increases daily. There has also been a marked increase in marketing routes for farmers' everyday commodities and raw materials for production. After selling his tea and cocoons, the farmer buys great quantities of essential articles in return. The most conspicuous rise in the markets has come in bolt cloth. In April 1950, the privately operated Chen-yeh Dyeing and Weaving Plant marketed an average of 8.5 bolts of cloth per day; between 15 and 25 May 1950, the daily average rose above 52 bolts.

The food market has also seen a tremendous rise: rice sales in Hangchow by the Chekiang Provisions Corporation in the 5 day period from 22 to 26 May 1950 amounted to 182 percent of their sales between 2 and 6 May 1950. On 26 May 1950, the Retail Section of the Chekiang Native Products Corporation transacted 40,100,000 yuan worth of business: primarily, they retail essential farm commodities such as alum, edible oils, and brown sugar.

Between 17 and 27 May 1950, the Chieh-chan and Ch'ien-chiang Service Associations of the Hangchow Municipal Supply and Marketing Cooperative sold over 20,000 cattles of powdered fertilizer. The amount of kerosene sold by the Chekiang Department Stores Corporation during the last 10 days of May was almost double the amount sold in the middle of the month.

This new spurt of activity in rural-urban commodity movements has brought an increase in Hangchow remittance exchange. Data from the Chekiang Branch People's Bank indicate that remittances from Hangchow to various points throughout the province, and from provincial points into Hangchow, during the 5-day period between 19 and 26 May (21 May being Sunday) totaled more than three times the amount shown for the 5 days from 2 to 6 May. There has also been an increase in remittances from Hangchow to the tea- and cocoon-producing districts of Shao-hsing, Chia-hsing, and Hu-chou.

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SHANGHAI WEAVING MILLS IMPROVE -- Hong Kong Ta Kung Pao, 27 May 50

Shanghai -- Although the privately owned cotton-cloth weaving mills in Shanghai have one third the total spindles in China, their weakness is that Shanghai is not in a cotton-growing area. Heretofore, they obtained cotton from foreign countries. In addition, many mills are in debt and financial bankruptcy because of mismanagement.

Statistics at the end of March 1950 indicated that the Central government had extended loans amounting to 50 billion yuan to support private and publicly owned mills. Statistics at the end of April 1950 showed that 39 mills in Shanghai started operations utilizing 957,212 spindles and 5,988 looms. Other data reveal that each spindle with 20 strands of yarn in 20 mills averages 0.794 pounds of yarn, exceeding the 25 May 1949 average by 0.015 pound. The May output was increased to 6,639 bales of yarn and 38,060 bolts of cloth.

OPENS SALESROOM IN SHANGHAI -- Shanghai Hsin-wen Jih-pao, 3 May 50

Shanghai -- The Industrial Department of the East China regional government expects to open within a few days a salesroom for the display and sale of the mineral products of the industries under its control. The salesroom will display various kinds of iron and steel, hardware, tools, machinery, electrical apparatus, chemical products, and the products of various light industries. The salesroom is to be located at 670 Szechwan Road, south of the Soochow Creek bridge.

CHEKIANG PAPER INDUSTRY REVIVES -- Hangchow Chekiang Jih-pao, 3 May 50

Fu-yang Hsien in Chekiang formerly derived 40 percent of its income from its paper industry. Due to repeated calamities caused by floods, droughts, and war during the past 5 years, the industry has all but died out. With only 20 percent of the industry in operation, thousands of workers have been thrown out of employment and serious famine conditions exist throughout the hsien.

In view of these conditions, the Rural Industry Promotion Section of the provincial government has effectively helped to revive the industry by inducing the people to practice cooperation instead of competition between various units and between the operators and the workers, to make a better quality of paper for which there is a larger market, to standardize the product, and to market cooperatively. Conditions have already improved greatly.

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